

BOARD OF ALDERMEN

ITEM NO. D(3)

AGENDA ITEM ABSTRACT

MEETING DATE: June 17, 2003

TITLE: Discussion on Use of General Obligation Bonds for Town Sidewalks and Greenway Trails

DEPARTMENT: Management Services & Planning Department	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: A – Timeline of Steps to Conduct a Bond Referendum B – Planning Department: Updated Sidewalk & Greenway Trails Cost Projections & Map C – 1999 Capital Improvements Plan – Description of Sidewalk and Greenway Trail Projects D – Capital Needs Inventory Presented to Board on April 8, 2003 E – Sample Sidewalk Prioritization Matrix F – Sample “Own Words” Resolution	FOR INFORMATION CONTACT: Bing Roenigk, Assistant Town Manager 918-7300 Roy Williford, Planning Director, 918-7325 Dale McKeel, Transportation Planner, 918-7329

PURPOSE:

The Board of Aldermen, at its regular meeting of May 6, 2003, asked town staff to prepare information on the steps involved in placing a sidewalk bond on the November election ballot. The purpose of this item is to present that information to the Board and provide a “Resolution of Intent” that the Board must adopt as the first step in the process should the Board decide to proceed with further consideration of such a bond issue.

INFORMATION

The Town’s bond counsel, Robert M. Jessup, has provided a timeline on the steps required for the Town to conduct a general obligation bond referendum on November 4, 2003 (see Attachment A).

Critical to the bond application process is determining a tentative plan for bond purposes and amounts. The Planning Department, working with a Sidewalk Implementation Task Force, has revisited and updated sidewalk project information previously submitted to the Board in the 1999 Capital Improvements Plan and in the capital needs inventory submitted on April 8, 2003 (Attachments B, C & D). The updated list attempts to capture potential costs and local match that will be required in developing and constructing sidewalks (Attachment B). These figures are illustrative only and do not include related costs such as rights-of-ways, related street improvements, nor any contingency funds. Therefore, these estimates are likely to be low. The Sidewalk Implementation Task Force is reviewing these projects and attempting to place them in priority order applying a matrix of criteria, including, but not limited to, speed limits, traffic volume, proximity to schools, available right-of-way, and citizen requests (Attachment E).

Also note that the list of sidewalk cost projections also includes funding for greenway trails on Morgan Creek (between Smith Level Road and University Lake) and Bolin Creek (between Estes Drive and Homestead Road). The development of these trail systems is proposed by the Carrboro Recreation and Parks Comprehensive Master Plan and supported by Carrboro Vision 2020. Through the DCHC

Metropolitan Planning Organization project funding process, the Town has tentatively secured \$1,457,500 for these projects over the next several years using federal STP-DA (Surface Transportation Program – Direct Attributable) funds. The use of STP-DA funds would require a 20 percent match, \$291,400, from the Town. Note that a discussion of greenway policies is scheduled for the Board of Aldermen after the summer break.

Two critical aspects of the initial action that must be undertaken by the Board include (i) adopting a resolution that has a statement describing in the Town’s “own words” why the proposed bonds are necessary and desirable and (ii) publishing a notice of its intent to file an application for the Local Government Commission’s (LGC) approval of the proposed bonds. These actions (contained within the “own words” resolution – Attachment F) require the Board to make a decision on establishing the maximum amount of bonds that can be proposed at the referendum for each of the specified purposes.

The questions for discussion tonight thus become focused on whether the Board of Aldermen wishes to consider funding sidewalk improvements with general obligation (GO) bonds and if so, at what maximum amount. The staff has also presented information about the costs of constructing greenway trails and requests that the Board consider including such costs if the Board decides to move forward with bond funding for sidewalks. If the Board is comfortable pursuing GO bonds, the estimated cost figures presented tonight will be sent to the Town Engineer to be refined over the summer and the Sidewalk Implementation Task Force will prioritize the projects.

The Board may choose to adopt the “own words” resolution (Attachment F) tonight or at a time no later than its last board meeting prior to summer break (June 24).

Following summer break, the Board’s next action will be to introduce the bond order and set a date for the required public hearing. The adoption of the bond order establishes the final list of purposes, and the amount of bonds for each purpose that will go before the voters.

To complete all of the steps in time for the November 4 election, the September 2 Board meeting is as late as the Town can go for final Board action, which includes holding a public hearing and setting the ballot question and a referendum date.

FISCAL IMPACT : The budgetary impact of financing sidewalks with bonds may result in an annual debt service payments ranging from \$107,750 to \$124,000 for each one million dollars borrowed. This cost estimate is based on a 6% interest rate, fixed principal amortization, and varying loan terms of 15 years and 20 years. The annual debt service cost approximates one cent on the tax rate (One cent on the property tax generates \$109,223).

ADMINISTRATION’S RECOMMENDATION:

The Board is requested to discuss whether it is interested in pursuing sidewalk and greenway trail projects and financing these projects with general obligation bonds and to provide further direction.

If the Board wishes to consider pursuing a bond referendum in time for the November ballot, it is recommended that the Board take the initial action of adopting an “own words” resolution, either tonight or no later than the last Board meeting of June 24. This resolution establishes the purpose and maximum amount of funds and authorizes the Town Clerk to publish a notice of the Board’s intent to apply to the LGC’s for approval of the proposed bonds (Attachment F).